

Program Memorandum Intermediaries

Department of Health &
Human Services (DHHS)
Centers for Medicare &
Medicaid Services (CMS)

Transmittal A-01-137

Date: DECEMBER 6, 2001

CHANGE REQUEST 1865

SUBJECT: Modifications to Form CMS-339 Requirements, Provider Cost Report Reimbursement Questionnaire

Recent changes in the Medicare payment system have resulted in a majority of the providers being reimbursed under a Prospective Payment System (PPS). As a result, we determined that certain sections and/or questions contained in Form CMS-339 are no longer relevant in the PPS environment and, therefore, should not have to be completed by all providers.

Accordingly, for cost reports received on or after January 1, 2002, deem Form CMS-339 to be acceptable if the sections/questions and related exhibits **are completed** as detailed below.

NON-HOSPITAL PROVIDERS, CHILDREN'S HOSPITALS, AND PPS HOSPITALS WITHOUT ANY EXCLUDED UNITS

<u>SECTION</u>	<u>TITLE</u>	<u>QUESTIONS TO BE COMPLETED</u>
A	Provider Organization and Operation	1, 4
B	Financial Data and Reports	1, 2
G	Approved Educational Activities	All
I	Purchased Services	4
K	Home Office Costs	7
L	Bad Debts	All
M	Bed Complement	All
N	PS&R Data	All
P	Wage Related Costs	All

HOSPITALS EXCLUDED FROM PPS AND PPS HOSPITALS THAT HAVE A UNIT EXCLUDED FROM PPS

<u>SECTION</u>	<u>TITLE</u>	<u>QUESTIONS TO BE COMPLETED</u>
A	Provider Organization and Operation	1, 4
B	Financial Data and Reports	1, 2
C	Capital Related Costs	1 through 7
D	Interest Expense	All
G	Approved Educational Activities	All
I	Purchased Services	2 through 4
J	Provider-Based Physicians	All
K	Home Office Costs	All
L	Bad Debts	All
M	Bed Complement	All
N	PS&R Data	All
P	Wage Related Costs	All

We are planning to revise the uniform desk review programs to incorporate these changes as soon as possible after the effective date of this Program Memorandum (PM). In the interim, for cost reports affected by this change, **you are not required** to complete those desk review steps or exhibits that are dependent on Form CMS-339 information no longer furnished by providers because of this PM. As an example, modify the Acceptability Checklist, Exhibit B as well as Step 2 of the full hospital and skilled nursing facility desk review program accordingly.

Include the revised requirements for completion of Form CMS-339 in your next regularly scheduled provider bulletin.

The *effective date* for this Program Memorandum (PM) is for cost reports filed after January 1, 2002.

The *implementation date* for this PM is December 6, 2001.

These instructions should be implemented within your current operating budget.

This PM may be discarded after December 31, 2002.

If you have any questions, contact Wayne Schreiber at 410-786-7549.